

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	
	X	

**URGENT JOINT MOTION FOR (A) EXPEDITED CONSIDERATION OF URGENT
JOINT MOTION FOR ENTRY OF ORDER APPROVING STIPULATION AND
AGREED ORDER BY AND AMONG FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD, ITS SPECIAL CLAIMS COMMITTEE, AND OFFICIAL COMMITTEE OF
UNSECURED CREDITORS RELATED TO JOINT PROSECUTION OF DEBTOR
CAUSES OF ACTION, (B) PENDING APPROVAL OF STIPULATION, FURTHER
EXTENSION OF BRIEFING SCHEDULE WITH RESPECT TO POTENTIAL
OMNIBUS MOTION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO
BE APPOINTED TO PURSUE COMMONWEALTH CAUSES OF ACTION, AND (C)
APPROVAL OF BRIEFING SCHEDULE WITH RESPECT TO LIMITED MOTION OF
OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO BE APPOINTED TO
PURSUE CERTAIN COMMONWEALTH CLAIMS**

To the Honorable United States District Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors of All Title III Debtors (other than COFINA) (the “Committee”), the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), and the Special Claims Committee of the Oversight Board (the “Special

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Claims Committee” and, together with the Oversight Board and the Committee, the “Parties”), respectfully submit this urgent joint motion (the “Urgent Motion”) requesting entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), for (a) expedited consideration of the *Urgent Joint Motion for Entry of Order Approving Stipulation and Agreed Order by and Among Financial Oversight and Management Board, Its Special Claims Committee, and Official Committee of Unsecured Creditors Related to Joint Prosecution of Debtor Causes of Action* (the “Approval Motion”),² (b) pending approval of the Stipulation, further extending the briefing schedule under this Court’s March 29, 2019 order [Docket No. 6086] (the “Procedures Order”) with respect to the Committee’s potential omnibus motion (the “Omnibus Motion”) to be appointed to pursue Commonwealth causes of action,³ and (c) approval of the agreed-upon briefing schedule with respect to the Committee’s limited motion (the “Limited Motion”) to be appointed to pursue certain Commonwealth claims or causes of action, namely the Additional Claims (as defined in paragraph 18 of the Stipulation).⁴ In support of this Urgent Motion, the Parties respectfully state as follows:

JURISDICTION AND VENUE

1. The United States District Court for the District of Puerto Rico has subject matter jurisdiction over this matter pursuant to section 306(a) of PROMESA.⁵

2. Venue is proper pursuant to section 307(a) of PROMESA.

² All capitalized terms used but not defined herein have the meanings set forth in the Approval Motion.

³ Currently, the deadline for the Committee to file its Omnibus Motion is Monday, April 17, at 9:30 a.m. (AST).

⁴ Additional Claims are Commonwealth claims or causes of action, in addition to those to be asserted by the Oversight Board or the Special Claims Committee, related to or with respect to the offerings of the Commonwealth’s GO bonds, PBA bonds, and ERS bonds against the Financial Party Targets and individual defendants, including on theories of fraudulent transfer, fraud, breach of fiduciary duty, and/or deepening insolvency.

⁵ References to PROMESA are references to 48 U.S.C. §§ 2101 *et. seq.*

3. The statutory bases for the relief requested herein are section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9006, made applicable to these Title III cases by sections 301(a) and 310 of PROMESA, Rule 9013-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Puerto Rico (the “Local Rules”), and the *Eighth Amended Notice, Case Management and Administrative Procedures* [Docket No. 4866-1] (the “Case Management Procedures”).

RELIEF REQUESTED

4. By this Urgent Motion, the Parties respectfully requests (a) entry of the Proposed Order scheduling oral argument on the Approval Motion on or before **April 18, 2019** (subject to the Court’s availability) and (b) pending approval of the Stipulation, a further extension of the briefing schedule under the Procedures Order with respect to the potential Omnibus Motion as follows:

	Current Date	Proposed Date
Deadline for Committee to file potential Omnibus Motion (if Stipulation is not approved)	April 17, 2019 at 9:30 a.m. (Atlantic Standard Time)	April 19, 2019 at 6:00 p.m. (Atlantic Standard Time)
Deadline for Oversight Board to file opposition to potential Omnibus Motion	April 19, 2019 at 6:00 p.m. (Atlantic Standard Time)	April 22, 2019 at noon (Atlantic Standard Time)
Deadline for Committee to file reply in further support of potential Omnibus Motion	April 23, 2019 at 9:30 p.m. (Atlantic Standard Time)	April 23, 2019 at 4:00 p.m. (Atlantic Standard Time)
Joint Status Report (incl. proposed deadlines for disclosure of Avoidance Actions and Omnibus Motion practice in connection with other Debtors)	Oral presentation at the April 24, 2019 omnibus hearing	unchanged

Hearing on potential Omnibus Motion	April 24, 2019 at 9:30 a.m. (Atlantic Standard Time)	unchanged
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5. In addition, the Parties request approval of the following briefing schedule with respect to the Committee’s Limited Motion to be appointed to pursue the Additional Claims:

	Proposed Date
Deadline for Committee to file Limited Motion	April 17, 2019 at 9:30 a.m. (Atlantic Standard Time)
Deadline for Oversight Board to file opposition to Limited Motion	April 19, 2019 at 6:00 p.m. (Atlantic Standard Time)
Deadline for Committee to file reply in further support of Limited Motion	April 22, 2019 at 6:00 p.m. (Atlantic Standard Time)
Hearing on Limited Motion	April 24, 2019 at 9:30 a.m. (Atlantic Standard Time)

BASIS FOR RELIEF REQUESTED

6. Bankruptcy Rule 9006(c)(1) provides that “the court for cause shown may in its discretion with or without motion or notice order the period [for notice] reduced.” Further, Local Rule 9013-1(a) allows a party to request that a court “consider a motion on an expedited basis.” Cause exists to schedule the Approval Motion on an expedited basis.

7. Expedited consideration of the Approval Motion is critical given the imminent expiration of statutes of limitations for Commonwealth-related causes of action on May 2, 2019 (and shortly thereafter for the other Debtors). Moreover, as part of the Stipulation, the Committee has agreed that, upon Court approval of this Stipulation, it will waive its right to file a potential Omnibus Motion with respect to claims or causes of action of the Commonwealth (except as it relates to the Additional Claims and certain other claims subject to tolling

agreements or stipulations). However, absent approval of the Stipulation, the Committee would need to proceed immediately with its potential Omnibus Motion so that there is sufficient time to have that motion heard and a trustee appointed prior to the expiration of the applicable statutes of limitation. The Parties submit that expedited consideration is appropriate under these circumstances.

8. Further, the Parties request that, in order to preserve the Committee's ability to bring an Omnibus Motion in the event that the Court does not approve the Stipulation, the Court approve an extension of the Committee's deadline to file its potential Omnibus Motion (if the Stipulation is not approved) to April 19, 2019 at 6:00 p.m. (AST), and extend the response and reply deadlines accordingly. The Parties submit that such extensions are appropriate under the circumstances.

9. Finally, as detailed in the Stipulation, the Parties agreed that, notwithstanding this Stipulation, the Committee may seek, by motion to the Court (*i.e.*, the Limited Motion), to be appointed as trustee/plaintiff to pursue the Additional Claims, provided that (i) such motion shall be filed by April 17, 2019, at 9:30 a.m. (Atlantic Standard Time), (ii) the deadline to object to such motion shall be April 19, 2019, at 6:00 p.m. (Atlantic Standard Time), (iii) the reply deadline shall be April 22, 2019 at 6:00 p.m. (Atlantic Standard Time), and (iv) such motion shall be heard at the April 24, 2019 omnibus hearing. The Parties submit that, in light of the imminent expiration of statutes of limitations for Commonwealth-related causes of action on May 2, 2019, the above briefing schedule should be approved.

10. Pursuant to Paragraph I.H of the Case Management Procedures, the Parties hereby certify that they have carefully examined the matter and concluded that there is a true need for an urgent motion; have not created the urgency through any lack of due diligence; have made a

bona fide effort to resolve the matter without a hearing; and have made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court.

NOTICE

11. Notice of this Urgent Motion has been provided to the following entities, or their counsel, if known: (i) the U.S. Trustee; (ii) the Office of the United State Attorney for the District of Puerto Rico; (iii) AAFAF; (iv) the official committee of retirees; (v) the insurers of the bonds issued or guaranteed by the Debtors; (vi) counsel to certain ad hoc groups of holders of bonds issued or guaranteed by the Debtors; and (vii) all parties that have filed a notice of appearance in the above-captioned Title III cases.

NO PRIOR REQUEST

12. No previous request for the relief requested herein has been made to this or any other court.

[Remainder of page intentionally left blank.]

WHEREFORE, the Parties respectfully request the Court to the proposed order, substantially in the form attached hereto as **Exhibit A**, and grant the Parties such other relief as is just and proper.

Dated: April 16, 2019

By: /s/ Luc A. Despins

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